

The House Committee on Ways and Means offers the following substitute to HR 900:

A RESOLUTION

Proposing an amendment to the Constitution so as to provide for tax relief from ad valorem property taxes; to provide for a short title; to authorize additional tax relief including the elimination of ad valorem property taxes for educational purposes; to authorize a refundable income tax credit for low-income families for qualified food expenses; to provide for optional homeowner's incentive adjustments; to provide for personal use motor vehicle tax relief grants; to authorize the limited amending of conflicting local constitutional amendments; to provide for the submission of this amendment for ratification or rejection; and for other purposes.

BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

This resolution shall be known and may be cited as the "Georgia's Repeal of Education Ad Valorem Taxes (GREAT) Plan."

SECTION 2.

The Constitution is amended by revising Article VII, Section I, Paragraph II as follows:

"Paragraph II. ***Taxing power limited.*** (a) Except as otherwise provided in subparagraph (c) of this Paragraph, the The annual levy of state ad valorem taxes on tangible property for all purposes, except for defending the state in an emergency, shall not exceed one-fourth mill on each dollar of the assessed value of the property.

(b) So long as the method of taxation in effect on December 31, 1980, for the taxation of shares of stock of banking corporations and other monied capital coming into competition with such banking corporations continues in effect, such shares and other monied capital may be taxed at an annual rate not exceeding five mills on each dollar of the assessed value of the property.

(c) Upon a determination by the General Assembly that sufficient revenues attributable to the GREAT Plan are available, the General Assembly shall be authorized by general law

to provide for additional tax relief from ad valorem property taxes for educational purposes up to and including the abolishment and repeal of ad valorem property taxes for educational purposes in addition to the tax relief provided pursuant to the GREAT Plan. Such further tax relief or abolishment and repeal shall take place in accordance with such schedule as may be established by the General Assembly and shall apply to any or all such ad valorem property taxes for educational purposes as determined by the General Assembly except for ad valorem taxes pertaining to general obligation indebtedness incurred prior to January 1, 2009, and except for intangible taxes, tax allocation districts, or community improvement districts. Any provisions of this Constitution to the contrary shall be deemed inapplicable to such general law or laws. It is the express purpose and intent of the GREAT Plan that, upon sufficient revenues becoming available, all taxpayers are relieved from all ad valorem property taxes for educational purposes in this state; and the General Assembly is granted the authority to enact such general laws as are necessary to accomplish this purpose."

SECTION 3.

Article VII, Section I of the Constitution is amended by adding a new Paragraph to read as follows:

"Paragraph IV. *State tax requirements.* The General Assembly may provide by general law for a state income tax credit for low-income families for qualified food expenses. Such credit may be refundable to a taxpayer to the extent a taxpayer's credit amount exceeds the taxpayer's state income tax liability."

SECTION 4.

Article VII of the Constitution is amended as follows:

"SECTION IIA.

HOMEOWNER'S INCENTIVE ADJUSTMENT

Paragraph I. *State grants; adjustment amount.* (a) For each taxable year, a homeowner's incentive adjustment ~~may~~ shall be applied to the return of each taxpayer claiming such state-wide homestead exemption as may be specified by general law. The amount of such adjustment ~~may provide a taxpayer with a benefit equivalent to a homestead exemption of up to \$18,000.00 of the assessed value of a taxpayer's homestead or the taxpayer's ad valorem property tax liability on the homestead, whichever is lower~~ shall be determined pursuant to subparagraph (b) of this Paragraph. The General Assembly

~~may shall~~ appropriate such amount each year for grants to local governments and school districts as homeowner tax relief grants. The adjustments and grants authorized by this Paragraph shall be made in such manner and shall be subject to the procedures and conditions as may be specified by general law heretofore or hereafter enacted.

(b) Each qualified taxpayer shall receive whichever of the following adjustment amounts provides the maximum benefit to that taxpayer on the tax bill for the applicable tax year:

(1) A benefit equivalent to a homestead exemption of up to \$18,000.00 of the assessed value of the taxpayer's homestead or the taxpayer's ad valorem property tax liability on the homestead, whichever is lower; or

(2) A benefit equivalent to a complete homestead exemption from ad valorem taxes for educational purposes.

SECTION IIB.

MOTOR VEHICLE TAX RELIEF GRANTS

Paragraph I. *State grants; appropriations.* For each 12 month period beginning on July 1 and ending on June 30, a motor vehicle tax relief adjustment shall be applied to the ad valorem property tax bill of a taxpayer on each motor vehicle used solely for personal use. The amount of such adjustment shall provide a taxpayer with a benefit equivalent to an ad valorem tax exemption of the eligible assessed value of such motor vehicle. The General Assembly shall appropriate such amount each year for grants to local governments and school districts as motor vehicle tax relief grants. The grants authorized by this Paragraph shall be made in such manner and shall be subject to the procedures and conditions as may be specified by general law."

SECTION 5.

Article XI, Section I, Paragraph IV of the Constitution is amended by revising subparagraph (b) as follows:

"(b)(1) Except as otherwise provided in this subparagraph, any ~~Any~~ amendment which is continued in force and effect after July 1, 1987, pursuant to the provisions of subparagraph (a) of this Paragraph shall be continued in force and effect as a part of this Constitution, except that such amendment may thereafter be repealed but may not be amended. The repeal of any such amendment shall be accomplished by local Act of the General Assembly, the effectiveness of which shall be conditioned on its approval by a majority of the qualified voters voting thereon in each of the particular political subdivisions affected by the amendment.

(2) In the event any amendment which was continued in force and effect after July 1, 1987, either pursuant to the provisions of subparagraph (a) of this Paragraph or any other provision of this Constitution contains provisions which require the rollback of ad valorem property taxes as the exclusive use of the proceeds of a local tax authorized and imposed pursuant to such amendment, the General Assembly is authorized to amend such amendment once for the limited purpose of either authorizing a different use for such proceeds or to repeal such amendment. Any such amendatory or repealing local constitutional amendment shall be adopted by a majority vote of each house of the General Assembly but shall not require approval in a referendum in the affected local jurisdiction. Once a local constitutional amendment has been amended once pursuant to this subparagraph (b)(2), such amendment shall again become subject to the provisions of subparagraph (b)(1) of this Paragraph."

SECTION 6.

The above proposed amendment to the Constitution shall be published and submitted as provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the above proposed amendment shall have written or printed thereon the following:

"() YES Shall the Constitution of Georgia be amended so as to implement the GREAT Plan by providing immediate tax relief and authorizing future tax relief and to authorize necessary conforming changes to existing local constitutional amendments?"

All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes." All persons desiring to vote against ratifying the proposed amendment shall vote "No." If such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall become a part of the Constitution of this state.